

**FATFACE**

# Gender pay gap reporting 2024

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## Background

The UK government introduced a legal requirement under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, that from 2018 onwards companies with over 250 employees were required to disclose their gender pay gap on an annual basis.

This report is based on a snapshot of employees and earnings data as at 5 April 2024. In this period our employee population was 2,105 employees with a gender split of 404 males and 1701 females.

## Our pay gap

Our mean and median pay gap differences between men and women are 15.23% and 9.98% respectively.

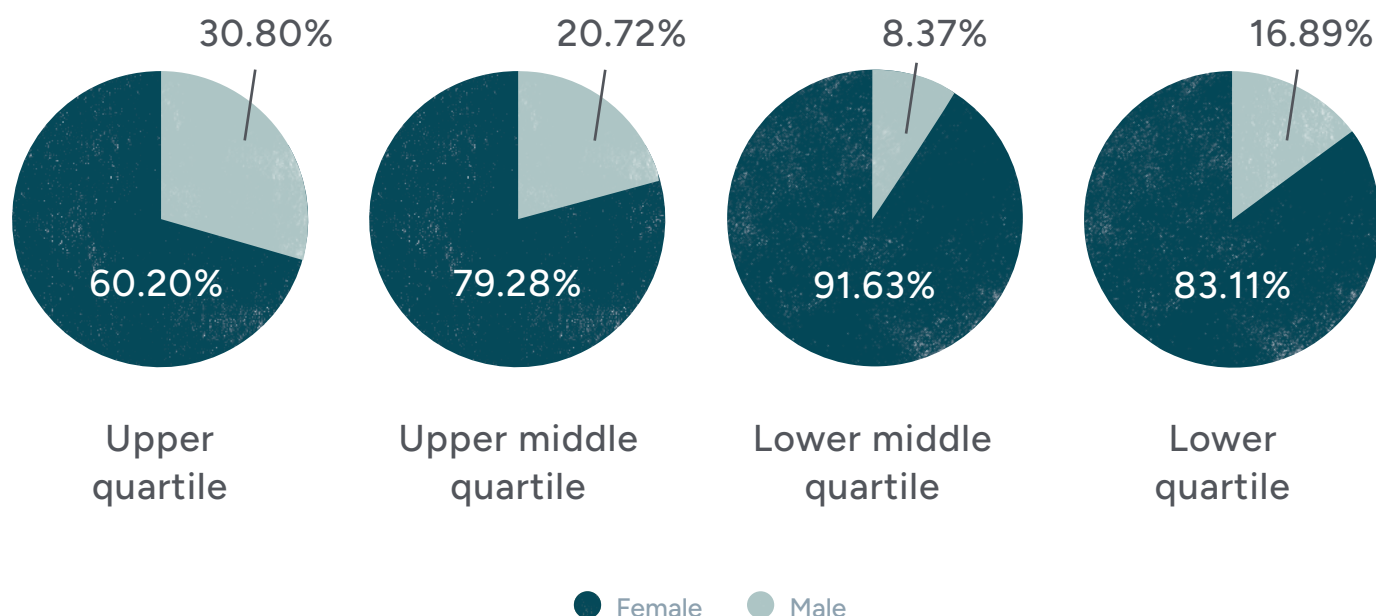


In line with the regulations, we have also set out the gender distribution across four equally sized quartiles based on pay range.

Both our mean (15.23%) and median (9.98%) pay gaps saw a strong decrease against the prior year when the mean was 22.7% and the median was 18.6%. One explanation for this is the promotion of 3 senior female leaders into Director positions and 1 senior male leaving the business. Whilst these promotions closed the gap quite considerably, the gap remains in favour of men.

As a retailer, the largest proportion of our staff are our retail employees who work in our stores. We believe that the median pay gap provides a more representative picture as it is not as influenced by the outliers in the data set and is reflective of the position of this main group of employees.

## Pay quartiles

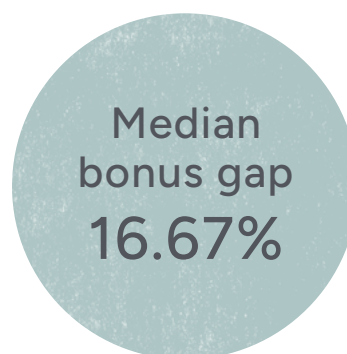


These charts show the proportion of men and women in each pay quartile at FatFace. The proportion of men in our Upper Quartile has decreased slightly since 2023 (31.6% vs 30.8%) and we saw a slight increase in our Lower Quartile compared to the prior year (14.4% vs 16.89%). In addition, there has been relatively no change to the proportion of men in our Lower Middle Quartile (8.4% vs 8.37%) and Upper Middle Quartile (20.7% vs 20.72%) compared to 2023. The gender pay gap differs from equal pay as it is not exclusively about men and women doing the same job and being paid differently. The gender pay gap considers the difference in average earnings, considering all jobs, at all levels and all salaries. We are confident that men and women who work for us are being paid fairly for equivalent roles and undertake reviews of pay and components across our workforce to monitor this.

Our pay gap is because of several factors, one of which is that there are a smaller proportion of men in lower paid roles, even though overall we have a higher proportion of women in our workforce.

## Our bonus gap

In addition to disclosing our pay gap, we are also required to disclose our bonus gap. Our mean and median bonus gap differences are 54.38% and 16.67% respectively.

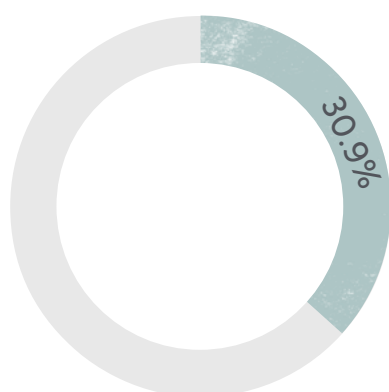


Both our mean (54.38%) and median (16.67%) bonus gaps have increased against the prior year. The majority of our bonuses in our 2023 gender pay gap report were a result of reinstating a bonus scheme for Head Office colleagues and also supporting them through the cost of living crisis by providing cost of living bonuses, recognising company performance, as well as personal performance. This was awarded to 700 people in total.

FatFace was acquired by NEXT in October 2023, which resulted in additional bonuses being paid in the 2024 reporting period, relating to the completion of the sale. In addition, bonuses were paid out to colleagues working in the Distribution Centre as an incentive over peak season. Store bonuses were also awarded to management throughout the year. By contrast, in 2024 bonuses were paid to 427 people in total.

As such, any gap that exists is because bonuses were not paid out to the majority of retail staff, of which majority are females. Retail staff are incentivised through other non-financial rewards.

Accompanying bonus gap disclosures is the proportion of men and women who get paid a bonus. This gap has decreased since the prior year, which can be explained by significantly less bonus' being awarded compared to the previous year. In particular, there were no cost-of-living bonuses made within the 2024 reporting period.



● Proportion of Male staff receiving a bonus



● Proportion of Female staff receiving a bonus

## Commitments to support our workforce

We are proud to be making positive movement this year and closing our gender pay gap in some areas, particularly focusing on decreasing the mean and median percentages. 2023 saw the sale of the business to NEXT and with this came a level of business change including, outsourcing of our Distribution Centre, Customer Support Centre and some of our Digital team, along with a change of product systems and tills. Despite significant change, we have continued our work across several equality and diversity initiatives throughout the business.

We introduced a Women in Leadership Level 5 apprenticeship, which is designed by women for women to build confidence and skills and give tools to be able to thrive in leadership roles. In conjunction with this program, 30% of our recruitment offers made in 2024 were to internal applicants, highlighting our commitment to career development and growth within our business. As a result of internal progression, the majority of our Board of Directors is now female, reflecting the gender composition of our customer base, which is also predominantly female-led. With the success of the Women in Leadership Program already evident in participation numbers, we are hopeful that more women will choose to advance in their careers by developing their leadership skills.

In addition, our dedication to sustainability continues to grow with achieving our full B Corp status in April 2024. This means that as a company, we meet the high standards of social and environmental performance, accountability and transparency, to be awarded with this accolade. Being a B Corp company means that we balance profit with purpose, making decisions that benefit not only the company, but also the wider community and the planet, whilst signifying our commitment to sustainability and social responsibility. FatFace has remained dedicated to enhancing gender diversity throughout the company and is committed to investing in frameworks that raise awareness of gender issues in the workplace while encouraging open dialogue. We have continued to expand our networking groups with the introduction of our menopause support group, to create a safe space for those going through the menopause to connect, share experiences, and support one another.

Furthermore, in 2023, we launched our Period Positive Workplace Policy to help create a culture that supports menstrual wellbeing in the workplace. The policy involves partnering with an award winning, ethical brand to launch free period products for our employees. We also facilitated multiple female specific events/sessions throughout the year, such as TED talks on gender equality in leadership, and female discussion groups with our Senior Leadership Team.

## Looking ahead for the future

FatFace will continue to make further strides in equity, diversity and inclusion by reviewing family friendly leave policies, developing an enhanced maternity leave policy to better support our colleagues on maternity leave, recertifying our B Corp status for another three years, and beginning the journey to create and implement an EDI strategy built for purpose with metrics to measure success. Education will also be a big focus for FatFace next year, developing more content around topics such as inclusive leadership, neurodiversity, and using inclusive language through our Thrive learning platform. Extending this through to induction, ensuring all new Crew to the business are completing a level of equality and diversity training from the beginning.

We are also committed to reviewing our bonus scheme ensuring it is fit for purpose to reward our colleagues correctly and make steps towards closing our bonus gap.



Joanne Wilson, People Director



Will Crumbie, CEO

**FATFACE**

*Gender pay gap*  
REPORTING 2023

## The BACKGROUND

The UK government introduced a legal requirement under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, that from 2018 onwards companies with over 250 employees were required to disclose their gender pay gap on an annual basis. The requirement to report was delayed in 2021 as a result of the Covid 19 global pandemic.

This report is based on a snapshot of employees and earnings data as at 5 April 2023. In this period our reportable employee population was 2,031 employees and the gender split is 381 males, 1650 females.

## Our PAY GAP

Our mean and median pay gap differences between men and women are 22.7% and 18.6% respectively. This reflects a pay gap in favour of men.



● Mean ● Median

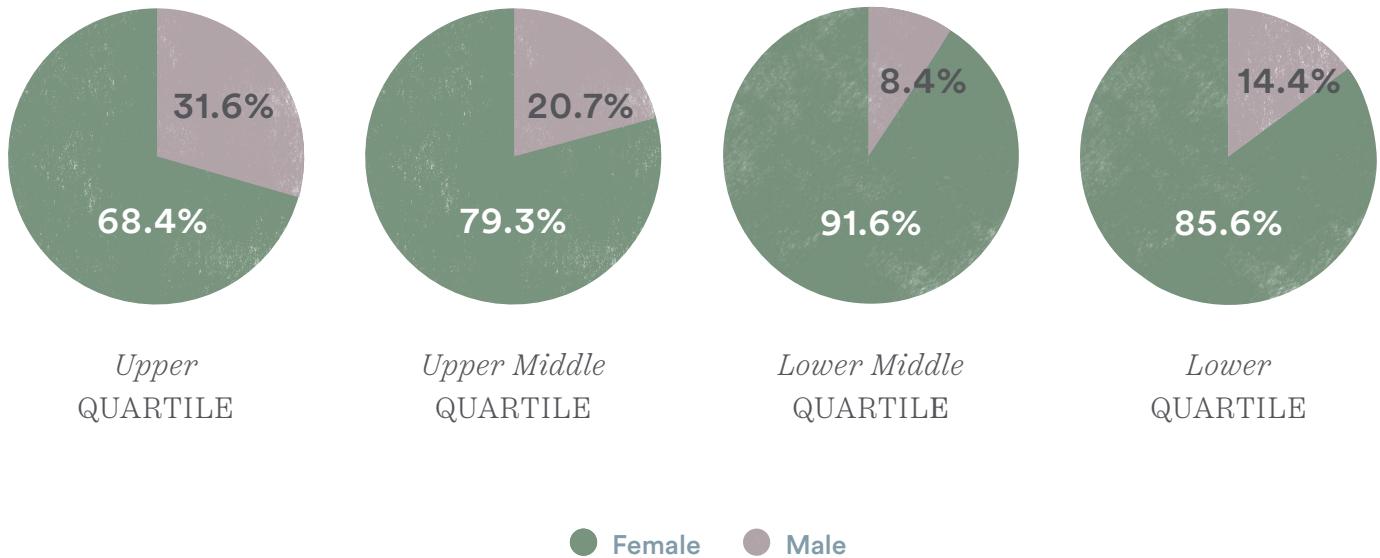
In line with the regulations, we have also set out the gender distribution across four equally sized quartiles based on pay range.

Both our mean (22.7%) and median (18.6%) pay gaps saw an increase in the Gap in favour of men against the prior year. During the period, the business was led by a male CEO and the operating board comprised of 4 males and 3 females.

As a retailer, the largest proportion of our staff are our retail employees who operate our stores. We believe that the median pay gap provides a more representative picture as it is not as influenced by the outliers in the data set and is reflective of the position of this main group of employees. The employees that fall into the median are our hourly paid retail staff, where our employees are paid at the same hourly rate.



## Pay QUARTILES



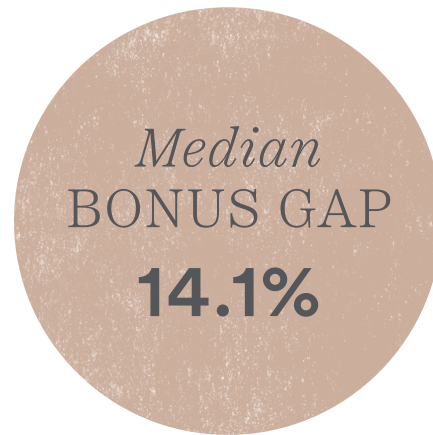
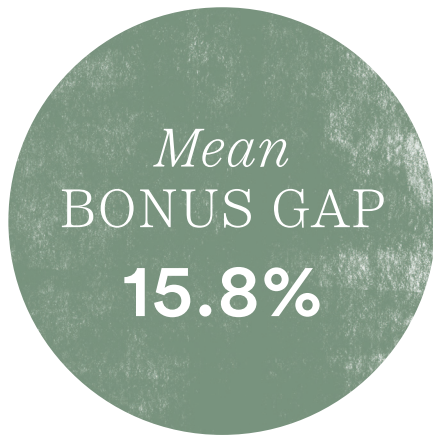
These charts show the proportion of men and women in each pay quartile at FatFace. The proportion of men in our Upper Middle Quartile has decreased slightly since 2022 (20.7% vs 22.3%) and we saw an increase in our Upper Quartile compared to the prior year (31.6% vs 25.5%), whereas there has been a reduction of the proportion of men in our Lower (14.4% vs 12.6%) and Lower Middle (8.4% vs 18.5%) quartiles compared to 2022.

The gender pay gap differs from equal pay as it is not exclusively about men and women doing the same job and being paid differently. The gender pay gap considers the difference in average earnings, considering all jobs, at all levels and all salaries. We are confident that we do not have an equal pay issue and undertake reviews of pay and components across our workforce to monitor this.

Our pay gap is as a result of a number of factors, one of which is the fact that there are a smaller proportion of men in lower paid roles, even though overall we have a higher proportion of women in our workforce.

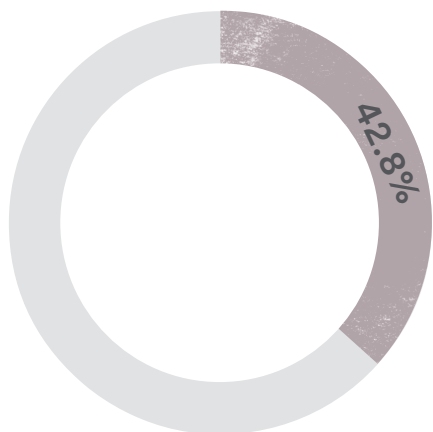
## Our BONUS GAP

In addition to disclosing our pay gap, we are also required to disclose our bonus gap. Our mean and median bonus gap differences are 15.8% and 14.1% respectively.

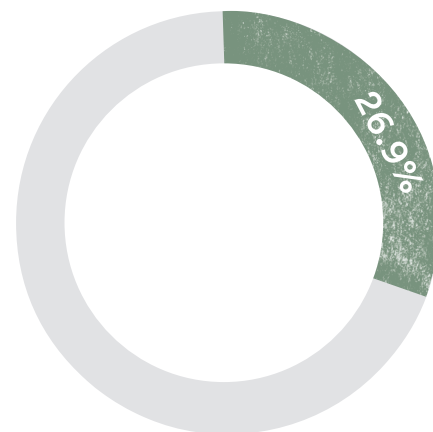


Both our mean (15.8%) and median (14.1%) bonus gaps have increased against the prior year. The majority of our bonuses in 2022 were paid to our Store Managers and workers in our distribution centres, reflecting store performance and peak incentives. This was 386 people in total. In 2023, FatFace introduced a cost of living bonus for Head Office colleagues, along with additional bonuses for both Head Office and store colleagues. By contrast, in 2023 bonuses were paid to 700 people in total. These bonuses reflected company performance as well as personal performance. As such any gap that exists within our Head Office and Management population is largely indicative of the performance of the individual and/or their team.

Accompanying bonus gap disclosures is the proportion of men and women who get paid a bonus. This gap has increased since the prior year, which can be explained by the addition of Head Office bonuses being paid.



● Proportion of Male staff receiving a bonus



● Proportion of Female staff receiving a bonus

*Looking ahead*  
AND OUR  
COMMITMENTS  
*to support our*  
*workforce*

2022 saw completion of our biggest IT project to date. Enabling us to bring business efficiencies and streamline working practices.

Looking forward, our sustainability journey continues today. We're committed to doing better, and we promise to make the best choices for our product, our planet, and our community. This includes continuing our journey to becoming a B Corp. As part of this, we continue to improve our equality and diversity practices across stores and head office to enable our colleagues to bring their true authentic selves to work.

FatFace is actively focussing on what needs to be done to improve gender diversity across the whole company and continues to invest in frameworks aimed to build awareness of gender in the workplace and open the conversation. As part of this, we have launched a parent networking group, enabling us to organically enhance contact and communication to those out of the business on family friendly leave but also connect those juggling the work life with family life at home. This has created a supportive environment where parents can seek support and advice freely.

In addition to this, we have launched a series of policies that are focussed on inclusivity. These included fertility treatment, pregnancy loss, and menopause policies. These aim to support gender in the workplace, levelling the playing field and making it more accessible for women.

FatFace will also continue to scrutinise our hiring and internal promotion processes (both internal and external) to make sure diversity and inclusion are at the heart of our business and that our senior leadership roles are representative. We are continuing to implement new diversity and inclusion initiatives to further our goal of an all-round supportive and inclusive environment as an employer our staff can be proud to be part of. This year, our focus will be on securing B Corp status, taking steps to becoming a period positive workplace as well as a launch of an internal Female Leadership Program.



Will Crumie, CEO

**FATFACE**

# **GENDER PAY GAP REPORTING 2022**

## THE BACKGROUND

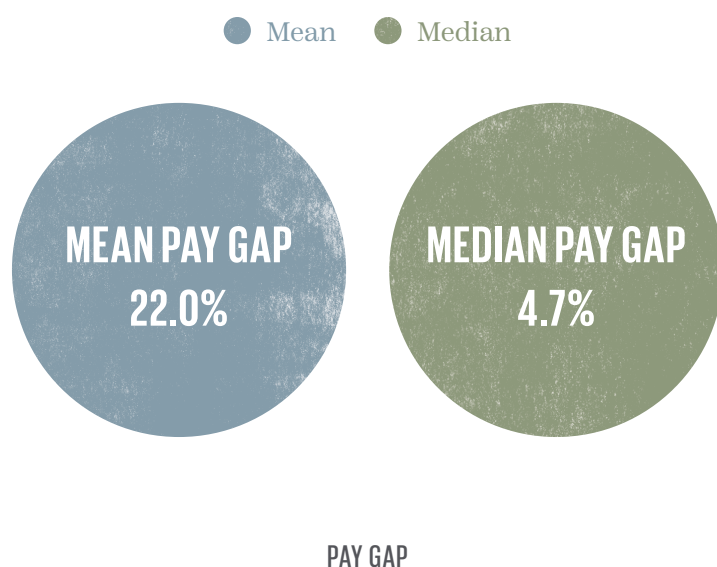
The UK government introduced a legal requirement under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, that from 2018 onwards companies with over 250 employees were required to disclose their gender pay gap on an annual basis. The requirement to report was delayed in 2021 as a result of the Covid 19 global pandemic.

This report is based on a snapshot of employees and earnings data as at 5 April 2022.

## OUR PAY GAP

Our mean and median pay gap differences between men and women are 22.0% and 4.7% respectively. This reflects a pay gap in favour of men.

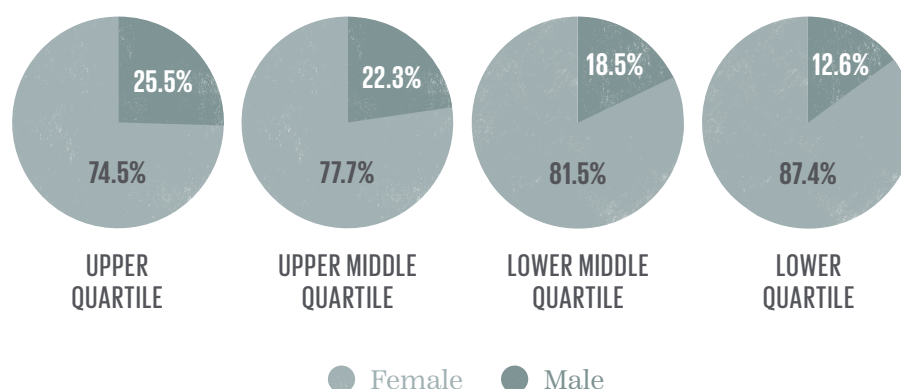
In line with the regulations, we have also set out the gender distribution across four equally sized quartiles based on pay range.



In the reporting period, the business was led by a male CEO. The 2022 mean pay gap (22%) saw a 5.1% increase of the gap in favour of men against the prior year. During the period, our CEO (Liz Evans) stepped down, being replaced by our former CFO (Will Crumbie). When reviewed alongside our hourly paid retail employees returning to full time work, who are mainly female, our CEO's departure and promotion of our CFO created an outlier which shifted the mean gap in favour of men. However, across the year there have been a number of senior roles released for which females have been appointed. The internal management team ("FFB") is 4 males and 3 females. In addition, we saw a sizeable reduction in our median pay gap towards neutrality, down 4.1% on the prior year.

As a retailer, the largest proportion of our staff are our retail employees who operate our stores. We believe that the median pay gap is reflective of the position of this main group of employees. Prior to the pandemic in 2018 and 2019, our median pay gaps were 0.0% and 0.4% respectively. The employees that fall into the median are our hourly paid retail staff, where our employees are paid at the same hourly rate. As we move forward from the impacts of the pandemic, we are seeing that this median pay gap is falling back towards pre-pandemic levels and expect it to continue to near 0% in the coming years.

## PAY QUARTILES



These charts show the proportion of men and women in each pay quartile at FatFace. The proportion of men in all four quartiles have seen significant decreases. The proportions of men in our Upper and Upper Middle quartiles have decreased by 12.9% and 13.0% respectively since 2021 (from 38.4% and 35.3%). Likewise, the Lower Middle and Lower quartiles have seen a reduction in the proportion of men of 8.2% and 9.3% respectively since 2021 (from 26.7% and 21.9%).

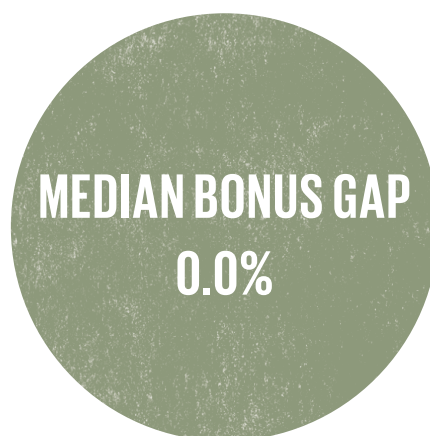
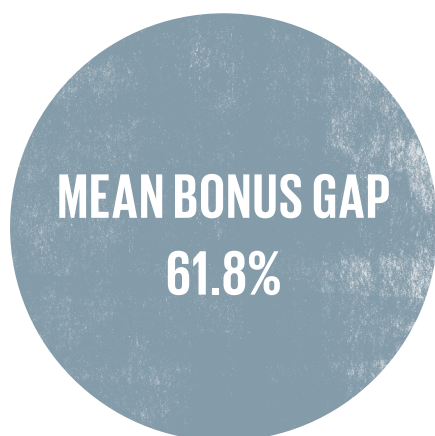
As a large majority of our staff still had some element of furlough pay and were not included as part of this analysis in 2021, the increased proportion of women across all quartiles is likely due to our returning workforce where there is a higher ratio of women to men overall. The quartiles for this period are more indicative of our results from pre-pandemic and are similar to those provided in the 2019 report.

The gender pay gap differs from equal pay as it is not exclusively about men and women doing the same job and being paid differently. The gender pay gap considers the difference in average earnings, considering all jobs, at all levels and all salaries. We are confident that we do not have an equal pay issue and undertake reviews of pay and components across our workforce to monitor this.

Our pay gap is as a result of a number of factors, one of which is the fact that there are a smaller proportion of men in lower paid roles, even though overall we have a higher proportion of women in our workforce.

## OUR BONUS GAP

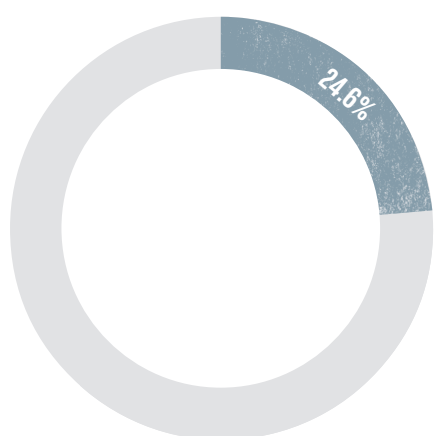
In addition to disclosing our pay gap, we are also required to disclose our bonus gap. Our mean and median bonus gap differences are 61.8% and 0.0% respectively.



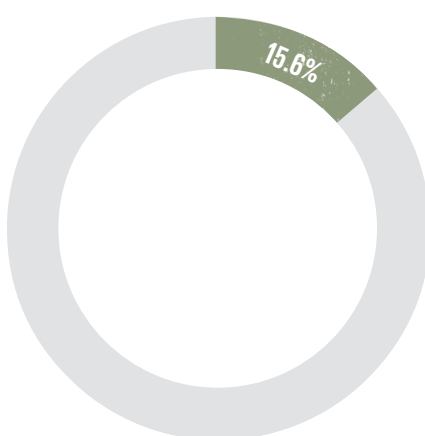
Both our mean and median bonus gaps have reduced significantly against the prior year (54.4% and 47.1% respectively). We have returned to usual pre-pandemic levels of trading and have therefore removed the pandemic-specific bonuses which were offered in 2021. The majority of our bonuses were paid to our Store Managers and workers in our distribution centres.

Whilst our mean bonus pay gap has increased on the prior year, this is attributable to the success of the business in 2022 which allowed for annual bonuses to be made. The mean bonus gap has also fallen in comparison to pre-pandemic levels (69.5% in 2019) which demonstrates the progress made by FatFace's female recruitment in the Senior Leadership Team.

Accompanying bonus gap disclosures is the proportion of men and women who are paid a bonus in the reporting period.



● PROPORTION OF MALE STAFF RECEIVING A BONUS



● PROPORTION OF FEMALE STAFF RECEIVING A BONUS

This gap has remained relatively consistent with the prior period. It should also be noted that our hourly paid store crew population make up over 50% of the total employee population and are remunerated in alternative ways than a bonus to reward them for their work throughout the year, which will impact this metric.

## LOOKING AHEAD POST PANDEMIC AND OUR COMMITMENTS TO SUPPORT OUR WORKFORCE

We continue to strive to provide the best and most supportive working environment for all our colleagues and have recently grown our partnership with the Retail Trust, to ensure we are focusing on providing support for new or arising challenges they may be facing. A new communication mechanism in the guise of a weekly newsletter has also been introduced that has enabled us to share multiple resources with our colleagues, focusing on both mental and physical health.

Our people policies have recently been reviewed and updated with inclusive language and a focus on making them gender neutral, alongside this we introduced the use of pronouns to our business signatures across all business areas. We have also added our ED&I (Equality, Diversity & Inclusion) statement to all our role specifications, so that prospective candidates understand our stance and in turn their requirements prior to engagement.

FatFace is actively focussing on what needs to be done to improve gender diversity across the whole company and make further strides to close the gender pay gap.

FatFace will continue to scrutinise our hiring processes (both internal and external) to make sure diversity and inclusion are at the heart of our business and that our senior leadership roles are representative. We are continuing to implement new diversity and inclusion initiatives to further our goal of an all-round supportive and inclusive environment as an employer our staff can be proud to be part of.



Will Crumbie, CEO